

Message Text

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ORIGIN EB-11

INFO OCT-01 ARA-16 EUR-25 EA-11 IO-14 ISO-00 FEA-02 HEW-08

AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 FRB-02 H-03

INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01

AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 USIA-15

PRS-01 SP-03 OMB-01 SWF-02 /228 R

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FM SECSTATE WASHDC

TO AMEMBASSY CANBERRA PRIORITY

AMEMBASSY WELLINGTON PRIORITY

AMEMBASSY DUBLIN PRIORITY

AMEMBASSY MEXICO PRIORITY

AMEMBASSY SAN JOSE PRIORITY

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AMEMBASSY PORT AU PRINCE PRIORITY

AMEMBASSY TEGUCIGALPA PRIORITY

AMEMBASSY MANAGUA PRIORITY

AMEMBASSY SAN SALVADOR PRIORITY

AMCONSUL BELIZE PRIORITY

INFO AMEMBASSY OTTAWA PRIORITY

AMEMBASSY LONDON PRIORITY

USMISSION OECD PARIS PRIORITY

USMISSION GENEVA PRIORITY

USMISSION EC BRUSSELS PRIORITY

AMEMBASSY BUENOS AIRES PRIORITY

AMEMBASSY MONTEVIDEO PRIORITY

AMEMBASSY BRASILIA PRIORITY

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E.O. 11652: N/A

TAGS: EAGR, ETRD

SUBJ: MEAT IMORT LAW THIRD:QUARTERLY
ESTIMATE

1. FOLLOWING IS TEXT OF USDA RELEASE GIVING SECRETARY OF AGRICULTURE'S THIRD QUARTERLY ESTIMATE OF CALENDAR YEAR 1974 US IMPORTS OF MEAT SUBJECT TO 1964 MEAT IMPORT LAW (TABLES OMITTED):

BEGIN TEXT: WASHINGTON, JULY 1, 1974. ACTING SECRETARY OF AGRICULTURE J. PHIL CAMPBELL TODAY ISSUED THE THIRD QUARTERLY ESTIMATE OF 1974 IMPORTS OF MEAT COVERED BY THE MEAT IMPORT LAW.

THE NEW ESTIMATE IS 1,210 MILLION POUNDS, 365 MILLION POUNDS (23 PERCENT) BELOW THE SECOND QUARTERLY ESTIMATE. THE DOWNWARD REVISION IN ESTIMATED IMPORTS IS DUE TO DELAY IN MARKETING OF SLAUGHTER CATTLE IN THE MAJOR SUPPLYING COUNTRIES BECAUSE OF UNATTRACTIVE MANUFACTURING BEEF PRICES. SIMULTANEOUSLY, CURRENT EXCELLENT GRAZING CONDITIONS IN AUSTRALIA AND IMPROVED PASTURES IN CENTRAL AMERICA ARE MAKING IT POSSIBLE FOR PRODUCERS TO

HOLD CATTLE. THE ESTIMATE ASSUMES A CONTINUATION OF THESE CURRENT GOOD GRAZING CONDITIONS AND DELAYED MARKETINGS OF CATTLE IN SUPPLYING COUNTRIES. IT ALSO ASSUMES THAT THE EC WILL NOT SUBSIDIZE CURRENT OVERSUPPLIES OF BEEF INTO THE U.S. MARKET, AND THAT SUPPLYING COUNTRIES WILL NOT ADJUST CURRENCY EXCHANGE RATES OR TAKE OTHER MEASURES TO IMPROVE RETURNS TO PRODUCERS.

THE ACTING SECRETARY SAID THAT THE CURRENT SITUATION IN THE U.S. LIVESTOCK INDUSTRY IS NOT THE RESULT OF AN INCREASE IN IMPORTS OF MEATS SUBJECT TO THE LAW. U.S. COMMERCIAL PRODUCTION OF RED MEATS IN THE FIRST FIVE MONTHS OF 1974 WAS UP 920 MILLION POUNDS, 6.3 PERCENT ABOVE JANUARY-MAY 1973. IMPORTS OF MEATS SUBJECT TO THE LAW DECREASED 5.3 PERCENT DURING THIS PERIOD.
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AVAILABLE INFORMATION INDICATES THAT THIS TREND OF LARGER U.S. PRODUCTION AND LOWER IMPORTS OF MEATS SUBJECT TO THE LAW IS LIKELY TO CONTINUE FOR THE REMAINDER OF 1974.

THE SECRETARY SAID THAT THE CURRENT SITUATION IN THE LIVESTOCK INDUSTRY IS PART OF A WORLDWIDE PHENOMENON RESULTING FROM A BUILDUP IN CATTLE HERDS IN ALL MAJOR BEEF PRODUCING COUNTRIES OVER THE PAST FEW YEARS, WHICH

IS NOW RESULTING IN AN INCREASE IN BEEF PRODUCTION AT A TIME WHEN CONSUMER DEMAND HAS WEAKENED BECAUSE OF INFLATION AND GENERAL ECONOMIC SLOWDOWN. THE PRODUCTION INCREASE IN 1974 HAS BEEN CONCENTRATED IN THE MAJOR IMPORTING COUNTRIES OF THE EUROPEAN COMMUNITY, JAPAN, AND THE UNITED STATES, AND HAS CAUSED THE EC AND JAPAN TO SEVERELY RESTRICT BEEF IMPORTS. SO FAR, THESE RESTRICTIONS HAVE NOT RESULTED IN AN INCREASE IN U.S. IMPORTS BECAUSE PRODUCERS IN AUSTRALIA AND CENTRAL AMERICA HAVE BEEN DELAYING MARKETINGS OF SLAUGHTER CATTLE.

THE ACTING SECRETARY SAID THAT THE U.S. GOVERNMENT IS MOVING TO EASE THE ADJUSTMENT TO LARGER WORLD BEEF PRODUCTION THRU EFFORTS TO INCREASE CONSUMPTION IN THE U.S. AND TO ENCOURAGE GOVERNMENTS IN THE EC AND JAPAN TO RELAX THEIR RESTRICTIONS AND DO LIKEWISE. THE U.S. HAS THE SUPPORT OF AUSTRALIA, NEW ZEALAND AND OTHER MAJOR BEEF EXPORTERS IN THIS EFFORT. THE ACTING SECRETARY NOTED THAT THE RESTRICTIONS IMPOSED BY THE EC AND JAPAN

HAVE PLACED THE UNITED STATES IN THE POSITION OF BEING THE ONLY MAJOR RELATIVELY UNRESTRICTED MARKET FOR BEEF IMPORTS.

IMPORTS OF MEAT SUBJECT TO THE LAW (P.L. 88-482) HAVE BEEN ENTERING WITHOUT QUANTITATIVE LIMITATIONS SINCE JUNE 1972.

IMPORTS OF MEAT SUBJECT TO THE LAW IN THE FIRST FIVE MONTHS OF 1974 WERE 473.3 MILLION POUNDS, 27 MILLION BELOW THE YEAR-EARLIER LEVEL. END TEXT.

2. IN PRESS BRIEFING FOLLOWING RELEASE ABOVE ANNOUNCEMENT, DEPUTY ASSISTANT SECRETARY OF AGRICULTURE BELL
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STATED THAT DUE TO REDUCED 1974 ESTIMATE, USDA DID NOT NOW FAVOR IMPOSITION U.S. MEAT IMPORT RESTRICTIONS. HE INDICATED, HOWEVER, THAT SHOULD ASSUMPTIONS ON WHICH ESTIMATE BASED PROVE FALSE, USDA MIGHT RECONSIDER. SISCO

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